

Message Text

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ACTION EA-09

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INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 OMB-01 SNM-02 DEAE-00 EB-07 COME-00 TRSE-00

ORM-02 DHA-02 /093 W

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FM AMEMBASSY RANGOON

TO SECSTATE WASHDC 2014

INFO CINCPAC

USMISSION GENEVA

AMCONSUL HONG KONG

AMEMBASSY KUALA LUMPUR

AMCONSUL MANDALAY

AMEMBASSY BANGKOK

DEA BANGKOK

AMCONSUL CHIANG MAI

AMEMBASSY KATHMANDU

AMEMBASSY NEW DELHI

USLO PEKING

C O N F I D E N T I A L SECTION 1 OF 2 RANGOON 2603

E.O. 11652: GDS

TAGS: PINT, PFOR, BM

SUBJ: JOINT WEEKA #29 , JULY 21-27

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10. STRAWS IN THE WIND (END CONTENTS)

1. PHAN HIEN VISIT (LOU)

SRV DEPTUY FOREIGN MINISTER PHAN HEIN TERMED HIS JULY 20-24 VISIT TO BURMA "VERY SUCCESSFUL." HIS DEPARTURE STATEMENT WAS SHORT ON SUBSTANCE BUT WARM IN TONE, NOTING THE "CORDIAL AND FRIENDLY ATMOSPHERE" OF THE TALKS AND REFERRING TO "NEW AND ENCOURAGING STEPS OF DEVELOPMENT" OF FRIENDSHIP AND COOPERATION BETWEEN VIET-NAM AND BURMA. WHILE IN RANGOON PHAN HIEN MET WITH PRIME MINISTER U SEIT UN, FOREIGN MINISTER U HLANWHONE, DEPUTY FOREIGN MINISTER U WIN, AND RANKING OFFICIALS FROM THE MINISTRIES OF TRADE AND TRANSPORT AND COMMUNICATIONS.

THE BURMESE PRESS GAVE PROMINENT COVERAGE TO THE VISIT, BUT REVEALED LITTLE ABOUT WHAT WAS DISCUSSED. WE WILL BE RECWRTING FURTHER AS MORE INFORMATION BECOMES AVAILABLE DURING THE NEXT FEW DAYS THROUGH PRIVATE CHANNELS.

2. COUP PLOT EDITORIALS (CONF)

BURMESE PRESS COMMENT ABOUT THE ABORTED COUP PLOT HAS BEEN SCANT; ONLY TWO EDITORIALS HAVE BEEN PRINTED. THE PRESS IS OF COURSE TIGHTLY CONTROLLED, PARTICULARLY ON SUCH SENSITIVE MATTERS AS THE PLOT, AND THESE EDITORIALS HAD VERY HIGH LEVEL ADVANCE APPROVAL.

THE ENGLISH-LANGUAGE GUARDIAN SAID THAT THE COUP PLOT "AUGURS ILL. IT POINTS TO (THE NEED FOR) GREATER REVOLUTIONARY VILIGANCE BY THE AUTHORITIES..." ALSO, THE PLOT "BADLY RELFECTS ON THE TATMADA (ARMY), AND... HAS TARNISHED THE NOBLE TRADITION RECORDED OF UNWAVERING FAITH AND UNITY."

VERNACULAR BOTATAUNG SAID THAT AS A RESULT OF THE PLOT "THERE IS NO DOUBT THAT VIGOROUS AND WHOLEHARTED EFFORTS WILL BE MADE TO CLEANSE THE TATMADAW OF THESE IMPURITIES AND OTHER PERNICIOUS ELEMENTS....THE MASSES OF THE PEOPLE AND THE TATMADAW MUST MAKE GREATER EFFORTS

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TO RALLY ROUND THE BSPP AND BE IN CLOSE CONTACT WITH IT."

COMMENT: THESE EDITORIALS SEEM TO INDICATE THAT THE GUB LEADERS ARE THIWKING IN TERMS OF TRYING TO INSTITUTE MORE DIRECT BSPP CONTROL OVER THE ARMY. HOWEVER, IT IS NOT YET CLEAR WHICH DIRECTIONS GUB POLICIES MAY TAKE AS A RESULT OF THE COUP PLOT. (SEE RANGOON 2551.)

3. NARCOTICS: MICUTA VISIT (UNCL)

U.N. DIVISION OF NARCOTIC DRUGS DEPUTY DIRECTOR MICUTA VISITED RANGOON JULY 19-24 AND HELD TALKS WITH GUB OFFICIALS CONCERNING IMPLEMENTATION OF THE UNFDAC PROGRAM. ALL SYSTEMS ARE GO; THE UN HAS NOMINATED THREE PEOPLE TO THE GUB FOR THE POST OF UNFDAC RESIDENT LIAISON OFFICER, AND SOME PROCUREMENT OF EQUIPMENT FOR THE VARIOUS PROGRAMS UNDER THE UNFDAC PLAN IS UNDERWAY. ALL OTHER PAST PROBLEMS APPEAR TO HAVE BEEN SOLVED AND BOTH SIDES ARE OPTIMISTIC OVER THE FUTURE OF THE PROGRAM. (DR. GORDON LING, DIRECTOR, UNFDAC, WAS SCHEDULED TO COME TO RANGOON ALONG WITH MICUTA BUT HAD TO CANCEL AT THE LAST MINUTE DUE TO THE DEATH OF A SENIOR UNFDAC OFFICIAL IN GENEVA.)

4. NARCOTICS: SEIZURES AND ARRESTS 703,:))

FOUR ARRESTS FOR POSSESSION WERE ANNOUNCED IN LOCAL PAPERS DURING THE PAST WEEK, RESULTING IN THE SEIZURE OF TWO KILOGRAMS OF OPIUM AND SEVERAL MEDICINE VIALS CONTAINING NUMBER FOUR HEORIN. :COMMENT: ACCORDING TO THE DIRECTOR-GENERAL, PEOPLE'S POLICE FORCE, SWEEPS SIMILAR TO THAT HELD RECENTLY IN TAUNGGYI, WHICH NETTED THE ARREST OF 125 ADDICTS, WILL BE CONDUCTED IN ALMOST ALL MAJOR CITIES. THOSE ARRESTED WILL BE DETAINED UNTIL THEIR HABITS ARE DEEMED CURED; SOME MAY ALSO BE PROSECUTED UNDER THE NARCOTICS LAW FOR FURTHER PUNISHMENT.

5. F-28 ARRIVES (UNCL)

BURMA AIRWAYS CORPORATION'S LATEST ADDITION TO ITS FLEET, A 65-PASSENGER, \$4.4 MILLION FOKKER F-28, ARRIVED IN BURMA JULY 25 (WEEKA #27 ITEM 8).

6. AVA AFFAIR (UNCL)

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THE BURMESE PRESS HAS DEVOTED CONSIDERABLE ATTENTION TO THE CASE OF THE AVA, THE BURMESE FIVE-STAR LINE FREIGHTER WHICH RESCUED 99 VIETNAMESE REFUGEES FROM A SINKING FISHING BOAT OFF VIET-NAM ON JULY 4. THE SHIP HAS BEEN ANCHORED OFF HONG KONG AWAITING INSTRUCTIONS AS TO WHAT TO DO WITH THE REFUGEES. HONG KONG AUTHORITIES HAVE NOT PERMITTED THEM TO BE LANDED IN THE COLONY. ONE ACCOUNT ESTIMATED THAT OPERATIONAL COSTS OVER THE FIRST 10 DAYS OF THE AVA'S WAIT AMOUNTED TO \$36,000, NOT COUNTING MONEY SPENT ON ROVISIONS FOR THE REFUGEES.

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C O N F I D E N T I A L SECTION 2 OF 2 RANGOON 2603

7. MEETING ON PEOPLE'S COUNCILS' RIGHTS (UNCL)

A COORDINATION MEETING TO DISCUSS TRANSFER OF RIGHTS TO PEOPLE'S COUNCILS OPENED IN RANGOON ON JULY 21. NE WIN IN HIS CAPACITY AS CHAIRMAN OF THE COUNCIL OF STATE MADE THE OPENING REMARKS. THIS WAS FOLLOWED BY A LENGTHY SPEECH BY GENERAL SAN YU EXPLAINING GUIDELINES FOR ENTRUSTING RIGHTS TO PEOPLE'S COUNCILS. DURING THE WEEK-LONG MEETING REPRESENTATIVES DISCUSSED ECONOMIC, ADMINISTRATIVE AND PERSONNEL AFFAIRS. FOLLOWING ANOTHER LENGTHY

SPEECH BY GENERAL SAN YU SUMMARIZING THE RESULTS OF THE MEETING, NE WIN'S OPENING AND CLOSING REMARKS WERE VERY SHORT AND PERFUNCTORY; BOTH TIMES HE MERELY
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CALLED FOR SMOOTH DISCHARGE OF RESPONSIBILITIES BY LOCAL COUNCILS. SAN YU'S OPENING STATEMENT EXPLAINED IT WAS NECESSARY TO INVEST THE VARIOUS LEVELS OF PEOPLE'S

COUNCILS WITH RIGHTS AND POWERS SO THAT THEY COULD BECOME MORE EFFECTIVE IN CARRYING OUT THEIR DUTIES. AT THE CLOSE SAN YU ENUMERATED THE RIGHTS AND DUTIES OF THE VARIOUS LEVELS OF PEOPLE'S COUNCILS. HE EMPHASIZED FIVE DUTIES OF THE COUNCILS; (1) THE SUCCESSFUL ESTABLISHMENT OF A SOCIALIST SOCIETY; (2) THE SUCCESSFUL AND WHOLESOME IMPLEMENTATION OF SOCIALIST ECONOMIC PLANS; (3) THE EMERGENCE OF A WELL-DEFINED SOCIALIST DEMOCRATIC STRUCTURE; (4) THE SMOOTH, EFFICIENT AND SUCCESSFUL IMPLEMENTATION OF WORK BY CENTRAL AND REGIONAL ORGANS OF POWER; AND (5) UNWAVERING ACCEPTANCE OF THE PARTY'S LEADERSHIP. COMMENT: THE MAIN PURPOSE OF THE MEETING WAS TO DEFINE POWERS OF LOCAL AUTHORITIES WITH A VIEW TO MAKING THEM MORE EFFICIENT. IT ALSO REPRESENTED AN ATTEMPT TO REDUCE CENTRAL CONTROL OVER LOCAL AFFAIRS; HOWEVER, THE MEETING ALSO SEEMED DESIGNED TO UNDERSCORE THE FACT THAT LOCAL BODIES HAVE ONLY THOSE POWERS THE CENTRAL GOVERNMENT CHOOSES TO BESTOW ON THEM.

8. ANTI-BLACK MARKET CAMPAIGN (UNCL)

ACCORDING TO A PRESS REPORT, A BLACK MARKET SUPPRESSION TEAM OPERATING IN MOULMEIN HAS SEIZED OVER (2 (\$3) MILLION WORTH OF CONTRABAND GOODS SINCE THE END OF JUNE. THE OBJECTIVE OF THE TEAM IS TO ASSIST IN THE "FOUR DENIAL SCHEME" AGAINST INSURGENTS IN THE AREA.

COMMENT: CONFISCATIONS PROBABLY REPRESENT ONLY THE TIP OF ICEBERG AS FAR AS ILLEGAL GOODS ARE CONCERNED. SO FAR THE ANTI-BLACK MARKET CAMPAIGN SEEMS CENTERED IN THE TENASSERIM REGION ATTEMPTING TO STEM THE FLOW OF SMUGGLED GOODS IN AND OUT OF THE COUNTRY. AS FAR AS IS KNOWN THE GUB HAS MADE NO ATTEMPT TO CRACK DOWN ON RETAIL OUTLETS OF THE BLACK MARKET.

9. COMPENSATION FOR NATIONALIZED PROPERTY (UNCL)

THE SPECIAL COMPENSATION COMMITTEE FORMED TO SCREEN APPLICATIONS FOR RETURN OR COMPENSATION OF NATIONALIZED PROPERTY (WEEK 27, ITEM 9) HAS THUS FAR PAID OUT ABOUT 2.5 MILLION AS COMPENSATION FOR 213 NATIONALIZED CONCERNS. THE COMMITTEE IS CONTINUING TO SCREEN ALL CLAIMS RESULTING FROM NATIONALIZATION OF COMMODITIES, MACHINERY, BUILDINGS, VEHICLES AND FURNITURE. HOWEVER, THE COMMITTEE IS NOT

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EMPOWERED TO CONSIDER CLAIMS OF FOREIGN FIRMS FOR RELEASE
OF FROZEN ASSETS. DECISIONS ON THIS MATTER STILL BEING
HELD UP, PERHAPS PENDING A GOVERNMENT-TO-GOVERNMENT
AGREEMENT WITH THE U.K., THE COUNTRY WHICH HAS THE MOST
CLAIMS OF THIS NATURE.

10. STRAWS IN THE WIND (LOU)

TWO MIDDLE-LEVEL GUB OFFICIALS HAVE RECENTLY MADE QUIET
APPLICATIONS FOR US IMMIGRANT VISAS. SINCE THESE MEN
HAVE A CONSIDERABLE STAKE IN THE CURRENT REGIME, THEIR
ATTEMPTS TO EMIGRATE MAY SHOW THEIR LACK OF CONFIDENCE
IN BURMA'S FUTURE.
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